

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 110 - SB 618

March 15, 2011

SUMMARY OF BILL: Requires the parents or legal guardians of a child who has been adjudicated unruly as a result of truancy to perform 14 hours of community service for each day that the child was absent without adequate excuse. In the judge's discretion, a fine of up to \$50 may also be assessed to the parents or legal guardians. The parents or legal guardians and the child shall attend counseling, mentoring, or parenting classes. Creates a task force on truancy that shall develop strategies and programs for parents and students on the issue of truancy. Sets forth the membership of the task force and requires that task force members be compensated for travel expenses but shall not receive per diem. Requires the task force to make a report to the Governor and the Education Committees of the General Assembly by February 1, 2013.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,600/Each One Day Meeting
\$962,100/Recurring**

Increase Local Expenditures - \$8,570,900/Recurring*

Increase Federal Expenditures - \$621,400/Recurring

Assumptions:

- As a result of additional parental or guardian penalties for truant children, the Department of Children's Services (DCS) estimates that an additional 75 children will enter state custody.
- These 75 children will remain in custody an average of 180 days; the total number of days will be 13,500 (180 days x 75 youth), at a cost of \$108 per day.
- The total increase in expenditures for housing and treatment will be \$1,458,000 (13,500 days x \$108). Of this amount, 49 percent (\$714,420) will be TennCare funds.
- Of the TennCare funds, \$473,160 will be federal expenditures at a 66.23 percent match rate and \$241,260 (\$714,420 - \$473,160) will be state expenditures.
- Seven percent of the total cost \$102,060 (\$1,458,000 x 7%) will be new Title IV-E expenditures.
- The remaining \$641,520 [(\$1,458,000 - (\$714,420 TennCare + \$102,060 Title IV-E))] will be state expenditures.
- The total increase in state expenditures for housing and treatment will be \$882,780 (\$241,260 + \$641,520). The total increase in federal expenditures for this purpose will be \$575,220 (\$473,160 + \$102,060).

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- DCS will hire two additional case managers at a recurring cost of \$125,504 which includes salaries (\$68,800), benefits (\$26,704), and other equipment (\$30,000).
- Of the \$125,504, 45 percent (\$56,477) will be TennCare funding. Of the TennCare funds, \$37,405 will be federal expenditures at a 66.23 percent match rate and \$19,072 (\$56,477 - \$37,405) will be state expenditures.
- Seven percent of the total personnel cost \$8,785 ($\$125,504 \times 7\%$) will be new Title IV-E funding.
- The remaining \$60,242 [$\$125,504 - (\$56,477 + \$8,785)$] will be state expenditures.
- The increase in state expenditures for personnel will be \$79,314 ($\$19,072 + \$60,242$). The increase in federal expenditures for this purpose will be \$46,190 ($\$37,405 + \$8,785$).
- Total increase in state expenditures for DCS expenses will be \$962,094 (\$882,780 housing, etc. + \$79,314 personnel). The increase in federal expenditures for DCS expenses will be \$621,410 (\$575,220 housing, etc. + \$46,190).
- Student average daily membership will not change. Therefore, the BEP will not generate any new state funding.
- Each local education agency (LEA) will hire one additional counselor or social worker to run counseling and mentoring programs. According to DOE, the average statewide salary for a licensed educator in school year 2009-10 was \$47,817. Based upon what the BEP formula generates, additional benefits are 16.7 percent of the salary (\$7,985) and the full insurance premium is \$7,219; total salary and benefits will be \$63,021 per position.
- The total increase in local expenditures will be \$8,570,856 ($\$63,021 \times 136$ LEAs).
- Task force meetings will be held in Nashville. Task force members based in Nashville will not receive travel reimbursement.
- Travel expenses for two teachers and one parent will be \$380.88 per meeting ($\126.96 mileage \times 3 task force members).
- Travel and per diem expenses for four legislative members of \$1,211.84 per meeting ($\176 per diem plus $\$126.96$ mileage for each member per meeting).

**Article II, Section 24 of the Tennessee Constitution provides that: No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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